

2012 Fayette County Property Tax Report with Comparison to 2011

Legislative Services Agency

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This report describes property tax changes in Fayette County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Fayette County the average tax bill for all taxpayers increased slightly, by 0.3%. This tax bill rise was the result of a 0.9% increase in the tax levy of all local government units, combined with a 1.9% increase in certified net assessed value. A large increase in farmland assessments was offset by decreases in other residential and business assessments, which may have been a legacy of the recession. The net assessed value increase exceeded the levy increase, so tax rates fell in most Fayette County tax districts. Still, tax cap credits as a percentage of the tax levy increased slightly, by 1.0%.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	0.3%	\$22,184,895	\$663,251,406	19.1%
Change		0.9%	1.9%	1.0%
2011	2.8%	\$21,978,006	\$651,072,188	18.1%

Homestead Property Taxes

Homestead property taxes increased 1.0% on average in Fayette County in 2012. Tax rates decreased in most Fayette County tax districts. The county average tax rate fell by 0.9%. The increase in homestead tax bills was due to tax rate increases in a few districts with a large number of homesteads. This also accounts for the increase in the number of homesteads at their tax caps. The percentage of Fayette County homesteads at their tax caps rose from 12.0% in 2011 to 19.6% in 2012.

Comparable Homestead Property Tax Changes in Fayette County

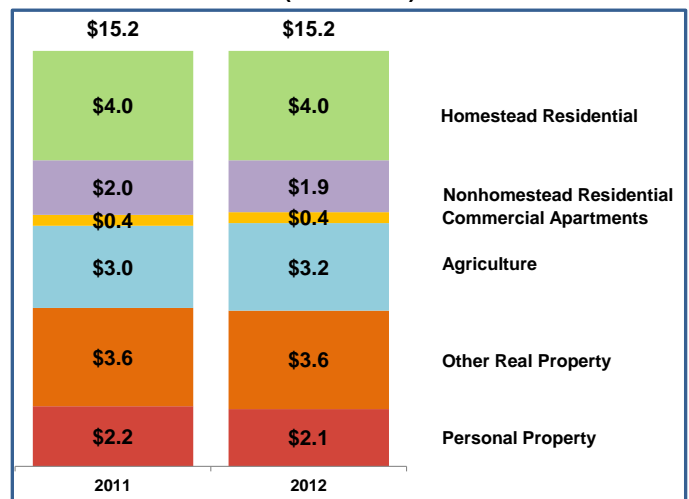
	2011 to 2012	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	2,646	38.6%
No Change	600	8.7%
Lower Tax Bill	3,612	52.7%
Average Change in Tax Bill	1.0%	
Detailed Change in Tax Bill		
20% or More	524	7.6%
10% to 19%	313	4.6%
1% to 9%	1,809	26.4%
0%	600	8.7%
-1% to -9%	2,822	41.1%
-10% to -19%	329	4.8%
-20% or More	461	6.7%
Total	6,858	100.0%

Note: Percentages may not total due to rounding.

Net Tax Bill Changes - All Property Types

Most of Fayette County's 2012 net property taxes were paid by business owners on their land and buildings (other real) and business equipment (personal), by homeowners, and by agricultural property owners. Net tax bills for all taxpayers increased 0.3% in Fayette County in 2012. Net taxes were higher for agriculture, and slightly higher for homesteads and other real property. Net taxes were lower for owners of commercial apartments, nonhomestead residential property (mostly small rentals and second homes), and personal property.

Comparison of Net Property Tax by Property Type (In Millions)



Tax Rates, Levies, and Assessed Values

Property tax rates decreased in most Fayette County tax districts. The average tax rate fell by 0.9%, because a small levy increase was offset by a somewhat larger increase in net assessed value.

Levies in Fayette County increased slightly by 0.9%. The largest levy increases were in the county unit, due to increases in the debt service, health, and general funds, and in the city of Connersville, due to increases in the general, motor vehicle highway, and aviation/airport funds. Fayette County School Corporation had large decreases in its capital projects and bus replacement funds.

Fayette County's total net assessed value increased 2.0% in 2012. Agricultural net assessments rose 13.1%. The large increase in agricultural assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Combined nonagricultural net assessments fell 1.3%. This decline may be a lingering effect of the Great Recession.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$604,706,380	\$601,814,720	-0.5%	\$193,763,557	\$194,310,559	0.3%
Other Residential	113,815,650	109,840,150	-3.5%	111,688,418	107,614,832	-3.6%
Ag Business/Land	154,529,100	174,891,600	13.2%	153,441,053	173,514,417	13.1%
Business Real/Personal	280,951,830	280,964,133	0.0%	205,431,525	202,375,320	-1.5%
Total	\$1,154,002,960	\$1,167,510,603	1.2%	\$664,324,553	\$677,815,128	2.0%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Fayette County were \$4.2 million, or 19.1% of the levy. This was more than the state average percentage of the levy of 9.2%, as well as more than the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits, and Fayette County's tax rates were higher than the state average.

Most of the total tax cap credits were in the 2% nonhomestead/farmland category and the 3% business real and personal category. The largest percentage losses were in the city of Connersville, the town of Glenwood, and Harrison Township, where district tax rates were above \$3 per \$100 assessed value and above \$4 in two districts. The largest dollar losses were in the city of Connersville, Fayette County School Corporation, and the county unit.

Tax Cap Credits by Category

Tax cap credits increased in Fayette County in 2012 by \$250,731, or 6.3%. The percentage of the levy lost to credits rose by 1.0%. There were no major changes in state policy to affect tax cap credits in 2012. Fayette County credits increased mainly because tax rates increased in districts where they were already above \$4 per \$100 assessed value.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$440,103	\$457,211	\$17,107	3.9%
2%	1,820,404	1,888,934	68,530	3.8%
3%	1,637,100	1,812,055	174,954	10.7%
Elderly	85,804	75,944	-9,860	-11.5%
Total	\$3,983,412	\$4,234,143	\$250,731	6.3%
% of Levy	18.1%	19.1%		1.0%

Fayette County Levy Comparison by Taxing Unit

Taxing Unit	2008	2009	2010	2011	2012	% Change			
						2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
County Total	28,535,131	20,438,374	21,618,092	21,978,006	22,184,895	-28.4%	5.8%	1.7%	0.9%
State Unit	21,242	0	0	0	0	-100.0%			
Fayette County	7,397,365	5,109,880	5,316,240	5,312,748	5,614,423	-30.9%	4.0%	-0.1%	5.7%
Columbia Township	7,453	7,437	7,877	7,840	8,311	-0.2%	5.9%	-0.5%	6.0%
Connersville Township	121,596	126,384	131,012	75,100	76,083	3.9%	3.7%	-42.7%	1.3%
Fairview Township	6,928	11,578	12,128	12,445	12,827	67.1%	4.8%	2.6%	3.1%
Harrison Township	80,585	83,180	86,609	89,141	91,987	3.2%	4.1%	2.9%	3.2%
Jackson Township	11,265	11,665	12,088	8,690	8,833	3.6%	3.6%	-28.1%	1.6%
Jennings Township	4,286	4,412	4,558	4,668	4,846	2.9%	3.3%	2.4%	3.8%
Orange Township	8,317	11,640	12,057	12,376	12,768	40.0%	3.6%	2.6%	3.2%
Posey Township	16,200	16,738	17,468	17,931	18,495	3.3%	4.4%	2.7%	3.1%
Waterloo Township	6,023	6,077	6,190	6,502	6,696	0.9%	1.9%	5.0%	3.0%
Connersville Civil City	7,920,450	7,523,958	7,802,857	8,003,926	8,254,277	-5.0%	3.7%	2.6%	3.1%
Glenwood Civil Town	15,028	14,967	16,456	17,391	18,171	-0.4%	9.9%	5.7%	4.5%
Fayette County School Corp	12,274,067	6,840,400	7,497,515	7,695,673	7,320,969	-44.3%	9.6%	2.6%	-4.9%
Fayette County Public Library	644,326	670,058	695,037	713,575	736,209	4.0%	3.7%	2.7%	3.2%
Fayette County Solid Waste District	0	0	0	0	0				

Fayette County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates					Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
21001	Columbia Township	2.0953	12.9100%	--	7.6539%	--	--	--	1.6644
21002	Connersville Township	2.0997	12.9100%	--	7.6539%	--	--	--	1.6679
21003	Connersville City-Connersville	4.8389	12.9100%	--	7.6539%	--	--	--	3.8438
21005	Fairview Township	2.1113	12.9100%	--	7.6539%	--	--	--	1.6771
21006	Glenwood Town-Fairview Township	3.6833	12.9100%	--	7.6539%	--	--	--	2.9259
21007	Harrison Township	2.1310	12.9100%	--	7.6539%	--	--	--	1.6928
21008	Connersville City-Harrison Twp	4.8638	12.9100%	--	7.6539%	--	--	--	3.8636
21010	Jackson Township	2.0824	12.9100%	--	7.6539%	--	--	--	1.6542
21011	Jennings Township	2.0759	12.9100%	--	7.6539%	--	--	--	1.6490
21012	Orange Township	2.1131	12.9100%	--	7.6539%	--	--	--	1.6786
21013	Glenwood Town-Orange Township	3.6899	12.9100%	--	7.6539%	--	--	--	2.9311
21014	Posey Township	2.1080	12.9100%	--	7.6539%	--	--	--	1.6745
21015	Waterloo Township	2.0864	12.9100%	--	7.6539%	--	--	--	1.6574

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Fayette County 2012 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	457,211	1,888,934	1,812,055	75,944	4,234,143	22,184,895	19.1%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	457,211	1,888,934	1,812,055	75,944	4,234,143	22,184,895	19.1%
Fayette County	79,905	330,086	316,246	19,852	746,090	5,614,423	13.3%
Columbia Township	0	0	0	36	36	8,311	0.4%
Connersville Township	1,531	5,260	4,142	335	11,267	76,083	14.8%
Fairview Township	3	13	4	1	21	12,827	0.2%
Harrison Township	1,123	6,877	8,563	369	16,932	91,987	18.4%
Jackson Township	0	0	0	48	48	8,833	0.5%
Jennings Township	0	0	0	16	16	4,846	0.3%
Orange Township	1	29	3	17	50	12,768	0.4%
Posey Township	0	0	0	4	4	18,495	0.0%
Waterloo Township	0	0	0	19	19	6,696	0.3%
Connersville Civil City	259,763	1,070,712	1,028,857	26,757	2,386,089	8,254,277	28.9%
Glenwood Civil Town	214	2,255	400	0	2,869	18,171	15.8%
Fayette County School Corp	104,193	430,419	412,372	25,886	972,869	7,320,969	13.3%
Fayette County Public Library	10,478	43,284	41,469	2,603	97,833	736,209	13.3%
Three Rivers Solid Waste Mgmt Dist	0	0	0	0	0	0	
Fayette County Solid Waste District	0	0	0	0	0	0	

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over. The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.